

STATE OF MAINE
SUPREME JUDICIAL COURT

AMENDMENT TO THE MAINE BAR RULES
[IOLTA INTEREST]

2009 Me. Rules 15

Effective: July 1, 2009

All of the Justices concurring therein, the following amendment to the Maine Bar Rules is hereby adopted to be effective on the date indicated above. The specific rules amendment appears below. To aid in understanding of the amendment, an Advisory Note appears after the amendment. The Advisory Note states the reason for recommending the amendment, but the Advisory Note is not part of the amendment adopted by the Court.

1. Maine Bar Rule 6(a)(4)(C)(3) is amended to read as follows:

(3) Eligible institutions may comply with the rate requirement of this Rule by electing to pay an amount on funds which would otherwise qualify for the options noted above, equal to the greater of (1) a 1% interest rate, or (2) a rate that is equal to 65% of the Federal Funds Target Rate in effect on July 1 of each year, which rate remains in effect for twelve months, and which amount is deemed to be already net of allowable reasonable fees. ~~The Federal Funds Target Rate as of January 1, 2008, shall be in effect until July 1, 2008.~~

Advisory Note

The Maine Bar Foundation, administrator of the IOLTA program, has reported to the Court that the Federal Funds Target Rate is at historic lows that render it unworkable as an option offered to financial institutions. For this reason, the Maine Bar Foundation has recommended to the Court that the existing benchmark provision be amended to provide that it become the greater of 65% of the Federal Funds Target Rate or 1%. The Rule amendment implements this recommendation. The amendment also removes the transition provision that was the last sentence of the Rule when it became effective in 2008. The other comparability options in the Rule remain in effect for banks that do not wish to adopt the benchmark interest rate option.

2. This amendment is effective July 1, 2009.

Dated: June 12, 2009

/s/

LEIGH I. SAUFLEY
Chief Justice

/s/

ROBERT W. CLIFFORD
Associate Justice

/s/

DONALD G. ALEXANDER
Associate Justice

/s/

JON D. LEVY
Associate Justice

/s/

WARREN M. SILVER
Associate Justice

/s/

ANDREW M. MEAD
Associate Justice

/s/

ELLEN A. GORMAN
Associate Justice